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Approved For Release 2002/06/17 : CIA-RDP78B04747A000700050012-7

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30, 1964 WISH

Dear Dick:

In a recent conversation with [] it was noted that we have a built-in provision for wage increases that has exceeded our historical performance with respect to non-staff personnel. Bill raises a question about the use of the standard composite rate for the machinist and the technician mentioned in our proposal of March 27, 1964.

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The technician involved will, necessarily, be a salaried member of the research and design staff. He is to be distinguished from such technicians as we would normally employ in test and assembly and related work. The general position with respect to the machinist composite rate would be well taken except for the fact that we will not be able to use the "average" machinist on this project. Since the machining will require precise miniaturization, only the shop foreman and ~~all~~ his best men will be available. Hence, even if the provision for increase is excessive by 3% in the composite rate for machinist, it is a provision on the average wage cost and the actual loading will be above the average. It is also worth noting that as of this date the actual shop average has already increased 2% over the bid rate.

For the foregoing reasons we prefer to stand pat on the rates submitted in the proposal.

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Very truly yours,

[]

RIM rl

Declass Review by NIMA/DOD

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